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**AMAX INTERNATIONAL HOLDINGS LIMITED**

**奧瑪仕國際控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 959)**

**ANNOUNCEMENT OF INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015**

The board (the “Board”) of directors (the “Directors”) of Amax International Holdings Limited (the “Company”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 September 2015 (the “Period under Review”), together with the unaudited comparative figures for the corresponding period in 2014.

\* For identification purpose only

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2015

	Note	Six months ended 30 September	
		2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
<b>Turnover</b>	5	<b>3,988</b>	2,443
Cost of sales		<b>(1,060)</b>	(131)
<b>Gross profit</b>		<b>2,928</b>	2,312
Other revenue	6	<b>1</b>	28
Selling and distribution expenses		<b>(410)</b>	(288)
General and administrative expenses		<b>(14,071)</b>	(14,000)
<b>Loss from operations</b>	7	<b>(11,552)</b>	(11,948)
Finance costs	8	<b>(6,136)</b>	(6,448)
Share of profit of an associate	12	<b>—</b>	—
<b>Loss before taxation</b>		<b>(17,688)</b>	(18,396)
Income tax	9	<b>—</b>	—
<b>Loss for the period</b>		<b>(17,688)</b>	(18,396)
<b>Attributable to:</b>			
Owners of the Company		<b>(16,694)</b>	(17,772)
Non-controlling interests		<b>(994)</b>	(624)
<b>Loss for the period</b>		<b>(17,688)</b>	(18,396)
		<i>HK Cents</i>	<i>HK Cents</i>
<b>Loss per share</b>	11		
— basic and diluted		<b>(5.66)</b>	(7.75)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

*For the six months ended 30 September 2015*

	<b>Six months ended 30 September</b>	
	<b>2015</b>	<b>2014</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Loss for the period</b>	<b>(17,688)</b>	<b>(18,396)</b>
<b>Other comprehensive income for the period</b>		
<i>Item that may be subsequently reclassified to profit or loss:</i>		
Exchange differences on translation of financial statements of group entities outside Hong Kong, net of nil tax	<u>6</u>	<u>9</u>
<b>Total comprehensive expense for the period</b>	<b><u>(17,682)</u></b>	<b><u>(18,387)</u></b>
Total comprehensive expense attributable to:		
Owners of the Company	<b>(16,692)</b>	<b>(17,768)</b>
Non-controlling interests	<b><u>(990)</u></b>	<b><u>(619)</u></b>
	<b><u>(17,682)</u></b>	<b><u>(18,387)</u></b>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2015

	Note	30 September 2015 HK\$'000 (Unaudited)	31 March 2015 HK\$'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment		4,720	5,346
Intangible assets		162,693	163,715
Interest in an associate	12	1,191,209	1,191,209
Deposits paid for acquisition of computer hardware/software		4,974	1,242
		<u>1,363,596</u>	<u>1,361,512</u>
<b>Current assets</b>			
Other receivables	13	90,053	85,864
Cash and cash equivalents		7,606	3,053
		<u>97,659</u>	<u>88,917</u>
<b>Current liabilities</b>			
Trade and other payables	14	52,617	47,070
Obligations under a finance lease		373	367
Promissory notes		183,812	140,288
		<u>236,802</u>	<u>187,725</u>
<b>Net current liabilities</b>		<u>(139,143)</u>	<u>(98,808)</u>
<b>Total assets less current liabilities</b>		<b>1,224,453</b>	<b>1,262,704</b>
<b>Non-current liabilities</b>			
Obligations under a finance lease		1,020	1,209
Promissory notes		—	37,410
		<u>1,020</u>	<u>38,619</u>
<b>NET ASSETS</b>		<u><b>1,223,433</b></u>	<u>1,224,085</u>
<b>CAPITAL AND RESERVES</b>			
Share capital		60,787	55,547
Reserves		1,101,498	1,106,644
<b>Total equity attributable to owners of the Company</b>		<u><b>1,162,285</b></u>	<u>1,162,191</u>
<b>Non-controlling interests</b>		<u>61,148</u>	<u>61,894</u>
<b>TOTAL EQUITY</b>		<u><b>1,223,433</b></u>	<u><b>1,224,085</b></u>

# NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

*For the six months ended 30 September 2015*

## 1. GENERAL INFORMATION

Amax International Holdings Limited (the “Company”) was incorporated and domiciled in Bermuda as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and the head office and principal place of business of the Company is Units 5106–07, 51/F, The Center, 99 Queen’s Road Central, Central, Hong Kong.

The principal activities of the Company and its subsidiaries (together the “Group”) are investments in slot machines related operation, VIP gaming tables related operation, provision of software, hardware, transmission network and marketing service to Guangxi Welfare Lottery Issue Centre and investment holding. The principal activities of its associate are provision of casino management services including sales, promotion, advertising, patron referral, patron development and coordination of casino activities.

## 2. BASIS OF PREPARATION

### a) Statement of compliance

The unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” and other relevant HKASs and Interpretations and Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements set out in Appendix 16 to the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange.

The unaudited condensed consolidated interim financial statements should be read in conjunction with the Annual Report of the Group for the year ended 31 March 2015.

The unaudited condensed consolidated interim financial statements are presented in Hong Kong dollars (“HK\$”) which is the same as the functional currency of the Group, rounded up to the nearest thousand, unless otherwise indicated.

### b) Going concern

In preparing the unaudited condensed consolidated interim financial statements, the directors have considered the future liquidity of the Group in view of its net current liabilities position as at 30 September 2015. The Group incurred a consolidated net loss from operations attributable to owners of the Company of approximately HK\$16,694,000 for the six months ended 30 September 2015, and had consolidated net current liabilities of approximately HK\$139,143,000 as at 30 September 2015.

The directors adopted the going concern basis in the preparation of the unaudited condensed consolidated interim financial statements by successfully obtaining the unsecured loan facility from an independent third party in order to improve the working capital position, the immediate liquidity and the cash flow position of the Group and the Company.

In the opinion of the directors, in light of the aforesaid arrangement implemented to date, the Group and the Company will have sufficient working capital for its current requirements and it is reasonable to expect that the Group and the Company will remain as a commercially viable concern. Accordingly, the directors are satisfied that it is appropriate to prepare the interim financial statements for the six months ended 30 September 2015 on a going concern basis. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for future liabilities which might arise and to reclassify non-current assets and non-current liabilities to current respectively. The effect of these adjustments has not been reflected in the unaudited condensed consolidated interim financial statements.

### c) Judgments and estimates

Preparing the unaudited condensed consolidated interim financial statements requires the Directors to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

In preparing these unaudited condensed consolidated interim financial statements, significant judgments made by the Directors in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's consolidated financial statements for the year ended 31 March 2015.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared on the historical cost convention except for certain financial instruments which are measured at fair value, as appropriate.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

The accounting policies used in the unaudited condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2015, except in relation to the following new and revised HKFRSs issued by the HKICPA that affect the Group and are adopted for the first time in the current period's financial statements.

- Amendments to HKFRSs, Annual improvements to HKFRSs 2010–2012 cycle
- Amendments to HKFRSs, Annual improvements to HKFRSs 2011–2013 cycle
- Amendments to HKAS 19, Defined benefit plans: employee contributions

The adoption of the new and revised HKFRSs has had no significant financial effect on these unaudited condensed consolidated interim financial statements.

### 4. SEGMENT INFORMATION

The Group principally has one reportable segment, which is the investments in gaming and entertainment related businesses. Therefore, no additional reportable segment has been presented. Additional information about major customer and geographical information of the Group has been disclosed in notes (a) and (b) below.

#### (a) Major customer

Revenue of HK\$2,400,000 (2014: HK\$2,400,000) was received/receivable from Greek Mythology (as defined below) for the six months ended 30 September 2015.

#### (b) Geographical information

The Group's revenue from external customers by geographical market is as follows:

	Six months ended 30 September	
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Macau	2,400	2,400
PRC (excluding Macau and Hong Kong)	1,588	43
	<u>3,988</u>	<u>2,443</u>

The Group's information about its non-current assets by geographical location is as follows:

	<b>30 September 2015 HK\$'000 (Unaudited)</b>	31 March 2015 HK\$'000 (Audited)
Macau	1,200,414	1,201,437
PRC	89	137
Hong Kong	2,678	3,034
Vannatu	160,415	156,904
	<u>1,363,596</u>	<u>1,361,512</u>

## 5. TURNOVER

An analysis of the Group's turnover is as follows:

	<i>Note</i>	<b>Six months ended 30 September 2015 HK\$'000 (Unaudited)</b>	2014 HK\$'000 (Unaudited)
Revenue from investments in gaming and entertainment related businesses			
— Investment in VIP gaming tables related operation	a	1,800	1,800
— Investment in slot machines related operation	b	600	600
Commission income on provision of services to Guangxi Welfare Lottery Issue Centre		1,588	43
		<u>3,988</u>	<u>2,443</u>

### a) Investment in VIP gaming tables related operation

	<b>Six months ended 30 September 2015 HK\$'000 (Unaudited)</b>	2014 HK\$'000 (Unaudited)
Income	<u>1,800</u>	<u>1,800</u>

b) Investment in slot machines related operation

	Six months ended 30 September	
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Income	<u>600</u>	<u>600</u>

6. OTHER REVENUE

An analysis of the Group's other revenue is as follows:

	Six months ended 30 September	
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Other revenue</b>		
Interest income from banks	1	1
Rental income	—	25
Sundry income	—	2
	<u>1</u>	<u>28</u>

7. LOSS FROM OPERATIONS

Loss from operations is arrived at after charging/(crediting):

	Six months ended 30 September	
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>a) Staff costs</b>		
Salaries, allowances and other benefits	2,461	4,479
Contributions to defined contribution retirement plans	116	106
	<u>2,577</u>	<u>4,585</u>

b) Other items

Depreciation of property, plant and equipment	643	312
Amortisation of intangible assets	1,023	1,023
Loss on disposal of a subsidiary	—	3
Loss on disposal of property, plant and equipment	—	71
Operation lease charges in respect of premises:		
— minimum lease payments	2,320	2,492
Rental income	—	(25)



## 8. FINANCE COSTS

	Six months ended 30 September	
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest on promissory notes	6,114	5,714
Finance charges on obligations under a finance lease	22	8
Interest on other borrowing	—	726
	<hr/>	<hr/>
Total interest expenses on financial liabilities not at fair value through profit or loss	<u>6,136</u>	<u>6,448</u>

## 9. INCOME TAX

No provision for Hong Kong Profits Tax, Macau Complementary Income Tax, the People's Republic of China ("PRC") Enterprise Income Tax and the Republic of Vanuatu Interactive Gaming Tax has been made as the companies in the Group have no assessable profits for the six months ended 30 September 2015 and 2014 in the relevant tax jurisdictions.

## 10. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2015 (2014: Nil).

## 11. LOSS PER SHARE

### (a) Basic loss per share

The calculation of the loss per share is based on the unaudited loss attributable to owners of the Company of approximately HK\$16,694,000 (2014: HK\$17,772,000) and the weighted average number of ordinary shares in issue during the Period under Review, calculated as follows:

	Six months ended 30 September	
	2015	2014
	'000	'000
	(Unaudited)	(Unaudited)
Issued ordinary shares at 1 April	292,533	228,233
Effect of share issue under placing	1,776	1,189
Effect of share issue under exercise of share options	686	—
	<hr/>	<hr/>
Weighted average number of ordinary shares at 30 September	<u>294,995</u>	<u>229,422</u>

The weighted average number of ordinary shares of basic loss per share for the six months ended 30 September 2015 and 2014 have been adjusted for the placing of new shares and/or exercise of share options.

### (b) Diluted loss per share

No adjustment has been made to the basic loss per share amounts presented for both the six months ended 30 September 2015 and 2014 in respect of a dilution as the impact of the share options had an anti-dilutive effect on the basic loss per share amounts presented.

## 12. INTEREST IN AN ASSOCIATE

The financial information of Greek Mythology (Macau) Entertainment Group Corporation Limited (“Greek Mythology”) is not available since 1 April 2012. The interest in the associate was accounted for in the unaudited condensed consolidated interim financial statements under the equity method using the unaudited financial information of the associate as at 31 March 2012. The carrying amount of the interest in an associate of HK\$1,191,209,000 brought forward from 1 April 2012 was carried forward to 30 September 2015.

## 13. OTHER RECEIVABLES

	<b>30 September 2015 HK\$'000 (Unaudited)</b>	31 March 2015 HK\$'000 (Audited)
Other receivables	27,983	25,812
Less: impairments	<u>(25,300)</u>	<u>(25,300)</u>
	<b>2,683</b>	512
Due from an associate	<u>82,365</u>	<u>79,965</u>
Loans and receivables	85,048	80,477
Rental and other deposits	2,305	2,307
Prepayments	<u>2,700</u>	<u>3,080</u>
	<b><u>90,053</u></b>	<b><u>85,864</u></b>

## 14. TRADE AND OTHER PAYABLES

	<b>30 September 2015 HK\$'000 (Unaudited)</b>	31 March 2015 HK\$'000 (Audited)
Trade payables	3,383	1,182
Accruals and other payables	49,078	45,732
Due to related companies	<u>156</u>	<u>156</u>
	<b><u>52,617</u></b>	<b><u>47,070</u></b>

All of the trade and other payables are expected to be settled within one year or payable on demand.

## MANAGEMENT DISCUSSION AND ANALYSIS

The board (the “Board”) of directors (the “Directors”) of Amax International Holdings Limited (the “Company”; stock code: 959) reports the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 September 2015 (the “Period under Review”). The unaudited interim results have been reviewed by the Audit Committee of the Company.

### **Financial review**

The Group is principally engaged in investment holdings and investments in high-end niche gaming and entertainment related businesses. For the first six months of the financial year, the Group continued its efforts in consolidating its business resources and delivered solid progress in diversifying its investments geographically.

Turnover of the Group for the Period under Review was approximately HK\$3.99 million, as compared to approximately HK\$2.44 million for the corresponding period last year. Revenue from VIP gaming tables and slot machines-related operations generated by its wholly owned subsidiaries of the Group formed the major source of revenue during the Period under Review.

The Group recorded an operating loss of approximately HK\$17.69 million in the Period under Review, versus an operating loss of approximately HK\$18.40 million for the corresponding period last year.

### *Financial position*

During the Period under Review, the Company strengthened its financial position with the completion of a placing and top-up subscription of 25 million shares at HK\$0.64, raising HK\$15.74 million as general working capital. The successful placing exercises demonstrated the confidence of the shareholders and investors in the Company’s management and prospects.

It is expected that the commencement of operation in the Republic of Vanuatu will provide stable source of income for the Group to fund its current and future operations.

### **Business review**

#### *Forenzia Enterprises Limited*

In response to the phenomenal development of the interactive gaming sector in recent years, the Group has taken a number of initiatives to seize the rising opportunities. In October 2014, the Company diversified its core gaming and entertainment business by entering into a sale and purchase agreement for the acquisition of 60% of the issued share capital of Forenzia Enterprises Limited (“Forenzia Enterprises”). Principally engaged in gaming business in Vanuatu, Forenzia Enterprises has obtained, through its wholly-owned subsidiaries, an interactive gaming license valid for a period of 15 years in the Republic of Vanuatu. The Company has full confidence in the high potential of Vanuatu as the next gaming hotspot and is well-poised to benefit from the unfulfilled demand by establishing casino operations there.

During the Period under Review, the setting up of the business operation of Forenzia Enterprises progressed gradually as planned and the Regulator has been kept informed on the latest development of the project. Upon completion, the business will become the main revenue driver for the Company in Asia Pacific.

## *Greek Mythology*

Greek Mythology (Macau) Entertainment Group Corporation Limited (“Greek Mythology”) is an associate in which the Group owns 24.8% equity interests. It operates and manages Greek Mythology Casino. The relationship between Greek Mythology and the Company began to deteriorate in 2012. Greek Mythology has since refused to provide the Company with its valid financial information to enable the Company to prepare its financial results.

The Company has taken a series of legal actions in an attempt to obtain the annual accounts of Greek Mythology. Although the Company has eventually received what purported to be the management accounts of Greek Mythology for the year ended 31 March 2013 and 31 March 2014 respectively, the Company was unable to verify both the accuracy and legitimacy of such financial information and therefore not able to give its assent accordingly. The Company has also requested but yet to receive from Greek Mythology the management accounts of Greek Mythology for the year ended 31 March 2015 and for the six months ended 30 September 2015. As conditions allow, apart from obtaining the said information and documentation, the Company will not hesitate to escalate the actions in order to re-exercise the rights of the Company in Greek Mythology.

As the financial accounts of Greek Mythology may have significant impact on the Company’s financial performance, the Company will closely monitor the development of this matter and inform shareholders if and when there is any significant progress.

## *LE-Guangxi*

Through Le Rainbow China Limited (“LE-China”), the Group currently holds a 42.61% beneficial equity interest in Nanning Inter-Joy LOTTO Information Service Co., Ltd. (“LE-Guangxi”). As a lottery related services company in cooperation with the Guangxi Welfare Lottery Issue Centre, LE-Guangxi’s Guangxi operation is primarily engaged in developing an electronic lottery selling system for the Guangxi Welfare Lottery Issue Centre which allows LE-Guangxi to access a wide network of customers via internet, generating a stable revenue source for the Group. During the Period under Review, commission income from the provision of services amounted to HK\$1,588,000, as compared to HK\$43,000 for the corresponding period last year.

## **Prospects and outlook**

Macau used to be a key driver for Asia Pacific’s booming gaming industry. However, the region has been hit by negative growth for 18 consecutive months. In October 2015, the Chinese government indicated it would help boost Macau’s economy, but it is unlikely that it will resume the explosive growth pattern in the near term. In order to mitigate the challenges and combat stagnant growth in Macau, the Company has diversified its investment in the gaming and entertainment revenue streams by tapping into high-growth gaming regions and other potential markets.

With the rapid development of interactive gaming and the introduction of superior gaming technologies, it is expected that the global gaming market will continue to grow in 2015. Asia Pacific remains the largest gambling region in the world, and also the fastest-growing region, with a projected 18.3% increase compounded annually to US\$79.3 billion in 2015. Given these substantial growth potentials, the Group will leveraging its extensive experience in the gaming and entertainment industry to diversify its portfolio of assets.

The Group will endeavor to bring its business back to a profitable position by continuing to transform itself into an investment holding company with multiple stable income sources. Looking ahead, the Group will explore further M&A opportunities in Asia Pacific and worldwide, as well as actively pursue different gaming activity channels and revenue drivers in an effort to generate sustainable growth and returns.

### **Appreciation**

The Board would like to take this opportunity to thank the management and staff for their contribution and support. We look forward to sharing our success with them. We are grateful for the trust and continued support of our investors and shareholders and are committed to creating long term value and return for them.

### **INTERIM DIVIDEND**

The Directors did not recommend the payment of an interim dividend for the six months ended 30 September 2015 (2014: Nil).

### **LIQUIDITY AND FINANCIAL RESOURCES**

The Group adopts a prudent treasury policy. It finances its operations and investments with internal resources, cash revenues generated from operating activities and proceeds from equity fund-raising activities.

As at 30 September 2015, the Group had total assets and net assets of approximately HK\$1,461 million (31 March 2015: approximately HK\$1,450 million) and approximately HK\$1,223 million (31 March 2015: approximately HK\$1,224 million) respectively, comprising non-current assets of approximately HK\$1,364 million (31 March 2015: approximately HK\$1,362 million) and current assets of approximately HK\$98 million (31 March 2015: approximately HK\$89 million) which were financed by shareholders' funds of approximately HK\$1,223 million (31 March 2015: approximately HK\$1,224 million), non-controlling interests of approximately HK\$61 million (31 March 2015: approximately HK\$62 million), current liabilities of approximately HK\$237 million (31 March 2015: approximately HK\$188 million) and non-current liabilities of approximately HK\$1 million (31 March 2015: approximately HK\$39 million).

The Group's current ratio, expressed as current assets over current liabilities, was 0.41 times (31 March 2015: 0.47 times). The Group's gearing ratio, calculated as a ratio of debt (including promissory note) to shareholders' equity, was approximately 19% (31 March 2015: approximately 18%).

### **FOREIGN EXCHANGE AND CURRENCY RISKS**

It is the Group's policy for its operating entities to operate in their corresponding local currencies to minimise currency risks. The principal businesses of the Group are conducted and recorded in Hong Kong dollars, Renminbi and Macau Patacas. As its exposure to foreign exchange fluctuation is minimal, the Group does not see the need for using any hedging tools.

### **EMPLOYEES AND REMUNERATION POLICY**

The Group is aware of the importance of human resources and is dedicated to retaining competent and talented employees by offering them competitive remuneration packages. Their salaries and bonuses were determined with reference to their duties, work experience, performance and prevailing market practices. The Group also participates in the Mandatory Provident Fund scheme in Hong

Kong, and provides employees with medical insurance coverage. A share option scheme is in place to reward individual employees for their outstanding performance and contribution to the success of the Group.

## **CONTINGENT LIABILITIES**

The Group had no significant contingent liabilities as at 30 September 2015.

## **CORPORATE GOVERNANCE**

The Group continues to commit itself to maintaining a high standard of corporate governance with emphases on enhancing transparency and accountability and assuring of good application of practices and procedures within the Group and enhancing performance thereby, augmenting shareholders' value and benefiting our stakeholders at large.

The Company has applied the principles of, and complied with all applicable code provisions as set out in the Corporate Governance Code (the "CG Code") in Appendix 14 to the Listing Rules throughout the Period under Review with the exception of certain deviations as further explained below.

Code provision A.2.1 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Mr. Ng Man Sun currently assumes the roles of both the chairman (the "Chairman") of the Board and the chief executive officer (the "CEO") of the Company. The Board believes that the roles of the Chairman and CEO performed by Mr. Ng provide the Group with strong and consistent leadership and are beneficial to the Group especially in planning and implementation of the Company's business strategies. The Board will regularly review effectiveness of such arrangement.

Code provision A.4.1 of the CG Code provides that non-executive directors should be appointed for a specific term, and subject to re-election.

None of the non-executive directors of the Company, being all existing independent non-executive directors ("INEDs") of the Company, is appointed for a specific term. However, all INEDs are subject to retirement by rotation but eligible for re-election at least once every three years at the annual general meeting (the "AGM") in accordance with the Bye-laws of the Company. The Company has also received the confirmation of independence from each INED and has grounds to believe that they are independent of the Company.

Code provision E.1.2 of the CG Code provides that the chairman of the board should attend the annual general meeting.

Due to other business commitments, Mr. Ng Man Sun, being the Chairman of the Board, was unable to attend the AGM of the Company held on 28 August 2015. He had arranged Ms. Ng Wai Yee, another executive director of the Company and who is very familiar with the Group's business and operations, to attend and chair the AGM.

Code provision A.6.7 of the CG Code provides that independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders.

Due to other business commitments, Ms. Sie Nien Che, Celia, being an INED of the Company, did not attend the AGM of the Company held on 28 August 2015.

## REVIEW OF RESULTS

The Group's unaudited condensed consolidated interim financial statements for the six months ended 30 September 2015 and the accounting principles and practices adopted by the Group have been reviewed by the Audit Committee of the Company.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

There was no purchase, sale or redemption by the Company nor any of its subsidiaries of the Company's listed securities during the Period under Review.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as its code of conduct for securities transactions by the Directors and has adopted written guidelines no less exacting than the Model Code for the relevant employees in respect of their dealings in the Company's securities.

Having made specific enquiries of all Directors, all Directors confirm that they have complied with the required standard set out in the Model Code and its code of conduct regarding securities transactions throughout the Period Under Review.

By Order of the Board  
**Amax International Holdings Limited**  
**Ng Man Sun**  
*Chairman and Chief Executive Officer*

Hong Kong, 27 November 2015

*As at the date hereof, Mr. Ng Man Sun (Chairman and Chief Executive Officer) and Ms. Ng Wai Yee are the executive Directors of the Company; and Ms. Yeung Pui Han, Regina, Mr. Li Chi Fai and Ms. Sie Nien Che, Celia are the independent non-executive Directors of the Company.*